

LAW AND PUBLIC SAFETY

NEW JERSEY RACING COMMISSION

Harness Racing

Entries

Proposed Amendment: N.J.A.C. 13:71-16.5

Authorized By: New Jersey Racing Commission, Frank Zanzuccki, Executive Director

Authority: N.J.S.A. 5:5-30

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2003-374

Submit written comments by November 14, 2003 to:

Frank Zanzuccki, Executive Director
New Jersey Racing Commission
P.O. Box 088, 140 East Front Street
Trenton, New Jersey 08625-0088

The agency proposal follows:

Summary

The New Jersey Racing Commission (Racing Commission) is interested in obtaining public comment regarding the proposed amendment to N.J.A.C. 13:71-16.5 Entries. The proposed amendment would provide for races offering a purse of \$500,000 or more, that horses with common trainers and/or ownership shall race as individual betting interests. The rule amendment is being proposed due to a petition for rulemaking (see 34 N.J.R. 3030(b)) filed by the New Jersey Sports and Exposition Authority and the Racing Commission's action in that petition (see 34 N.J.R. 3545(a)).

Currently, horses trained by the same trainer or who have common ownership pursuant to N.J.A.C. 13:71-16.5 must race as an entry or coupled entry whereby a wager on one is an automatic wager on all. If, for example, a 10 horse field has two horses which are trained and/or owned by the same parties, the current rule would require the coupling of said horses to race as one betting interest thus reducing the total amount of pari-mutuel betting interests from 10 to nine.

The proposed amendment would allow the horses in the above example to race as individual pari-mutuel betting interests providing the purse is \$500,000 or more. The New Jersey Sports and Exposition Authority (Sports Authority), which is the proposed amendment's primary petitioner supports its position by offering statistics that the increased amount of handle evidenced is in direct proportion to the size of the racing field or amount of pari-mutuel wagering interests. In addition, the Sports Authority takes the position that races contested for \$500,000 or above are on a higher competitive level than the average race carrying a lower overnight purse thus making the requirement of the coupling of such horses unnecessary from a regulatory standpoint and cost ineffective from a business standpoint.

As the Racing Commission has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The social impact of the proposed amendment will be positive by allowing

patrons who wager on premier races being contested by horses of stakes, handicap or futurity magnitude, a larger selection of betting interests to choose from and larger wagering pools to bet into.

Economic Impact

The proposed amendment will likely have a positive economic impact on the race tracks, simulcast venues and the wagering public.

It is statistically proven the more wagering interests evidence in a horse race, the higher the money wagered into that race will be. The proposed amendment would provide for more wagering interests by uncoupling horses of common trainer and/or ownership in races of \$500,000 or more which are races that in themselves promote a higher wagering interest. The proposed amendment would maximize the racetracks potential income on such races as well as all simulcast outlets accepting such races. The wagering public would also benefit by the increased wagering pools resulting from the maximum amount of runners offered by receiving a truer odds payoff caused by the increase pari-mutuel handle.

Federal Standard Statement

A Federal standards analysis is not required because the rules of racing are dictated by State statute, N.J.S.A. 5:5-22 et seq. and the proposed amendment is not subject to any Federal requirements or standards.

Jobs Impact

The proposed amendment will likely have no impact on the work force in the State. No jobs will be gained or lost due to the proposed amendment.

Agriculture Industry Impact

The proposed amendment will have no impact on the agriculture industry in the State.

Regulatory Flexibility Statement

A regulatory flexibility analysis is not required because the proposed amendment imposed no reporting, recordkeeping or compliance requirements on small businesses as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The track associations subject to the proposed amendment are not small businesses as each employs more than 100 people full-time.

Smart Growth Impact

The proposed amendment will not have an effect on new growth into redevelopment of older urban and suburban areas, protect existing open space, conserve natural resources, increase transportation options and transit availability, reduce automobile traffic and dependency, stabilize property taxes or provide affordable housing. Therefore, the proposed amendment will have no impact on the achievement of smart growth or the implementation of the State Development and Redevelopment Plan.

Full text of the proposal follows (additions indicated in boldface thus, deletions indicated in brackets [thus]):

13:71-16.5 Entries

When the starters in a race include two or more horses owned or trained by the same person, or trained in the same stable or by the same management, they shall be coupled as an “entry” and a wager on one horse in the “entry” shall be a wager on all horses in the “entry.” “Ownership” shall be construed to mean any person required to be licensed as an owner pursuant to these rules and in the instance of multiple ownerships, persons possessing at least a five percent commonality of interest in each of the respective horses. Provided however, that when a trainer enters two or more horses in a stake, early closing, futurity, free-for-all or other special event under bona fide separate ownerships, the said horses may at the request of the association and with the approval of the Commission, be permitted to race as separate betting entities. For races worth \$500,000 or more, all horses entered to race in such races, regardless of common trainers or ownership interest, shall race as individual betting interests. If the race is split in two or more divisions, horses in an “entry” shall be seeded in separate divisions insofar as possible, but the divisions in which they compete and their post positions shall be drawn by lot. The above provisions shall also apply to elimination heats.